

Basic Financial Statements

Government-wide Financial Statements

State of Washington Statement of Net Assets

June 30, 2004

(expressed in thousands)

	Primary Government		Total	Component Units
	Governmental Activities	Business-Type Activities		
ASSETS				
Cash and pooled investments	\$ 4,085,386	\$ 3,340,797	\$ 7,426,183	\$ 37,197
Taxes receivable (net of allowance)	2,463,109	4,728	2,467,837	-
Other receivables (net of allowance)	861,330	1,230,560	2,091,890	1,398
Internal balances (net)	5,717	(5,717)	-	-
Due from other governments	2,356,632	72,812	2,429,444	-
Inventories	79,259	74,763	154,022	-
Investments, noncurrent	3,129,127	10,224,834	13,353,961	23,799
Other assets	129,553	88,818	218,371	20,117
Capital assets (Note 6):				
Non-depreciable assets	14,833,863	187,665	15,021,528	34,677
Depreciable assets, net of depreciation	6,459,675	1,264,369	7,724,044	432,722
Total capital assets, net of depreciation	21,293,538	1,452,034	22,745,572	467,399
Total Assets	34,403,651	16,483,629	50,887,280	549,910
LIABILITIES				
Accounts payable	958,539	111,232	1,069,771	1,705
Contracts and retainage payable	81,260	30,186	111,446	2,342
Accrued liabilities	402,819	224,746	627,565	115
Obligations under securities lending	948,119	1,442,576	2,390,695	-
Due to other governments	656,781	38,327	695,108	-
Deferred revenue	384,430	44,398	428,828	759
Long-term liabilities (Note 7):				
Due within one year	688,348	1,819,349	2,507,697	-
Due in more than one year	10,636,990	16,825,896	27,462,886	37,000
Total Liabilities	14,757,286	20,536,710	35,293,996	41,921
NET ASSETS				
Invested in capital assets, net of related debt	7,816,518	522,368	8,338,886	428,057
Restricted for:				
Unemployment compensation	-	1,624,239	1,624,239	-
Other purposes	438,643	-	438,643	22,276
Capital projects	749,568	-	749,568	-
Expendable permanent fund principal	664,262	-	664,262	-
Nonexpendable permanent endowments	1,254,059	-	1,254,059	-
Unrestricted (deficit)	8,723,315	(6,199,688)	2,523,627	57,656
Total Net Assets	\$ 19,646,365	\$ (4,053,081)	\$ 15,593,284	\$ 507,989

The notes to the financial statements are an integral part of this statement.

State of Washington Statement of Activities

For the Fiscal Year Ended June 30, 2004
(expressed in thousands)

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
Governmental Activities:				
General government	\$ 918,215	\$ 448,505	\$ 388,436	\$ 2,572
Education--elementary and secondary (K-12)	6,085,686	10,933	648,235	-
Education--higher education	4,215,975	1,250,347	1,476,306	22,357
Human services	9,347,664	358,769	5,247,719	18,923
Adult corrections	643,802	5,560	2,895	4,816
Natural resources and recreation	651,282	339,387	127,872	31,364
Transportation	1,309,913	677,359	50,935	438,519
Intergovernmental grants	329,525	-	-	-
Interest on long-term debt	478,239	-	-	-
Total governmental activities	23,980,301	3,090,860	7,942,398	518,551
Business-type Activities:				
Workers' compensation	2,388,818	1,515,427	7,480	-
Unemployment compensation	1,744,694	1,345,000	450,444	-
Higher education student services	1,130,446	1,128,029	10,515	31
Health insurance programs	1,043,729	1,041,636	-	-
Other	951,164	1,027,565	9	4,272
Total business-type activities	7,258,851	6,057,657	468,448	4,303
Total Primary Government	\$ 31,239,152	\$ 9,148,517	\$ 8,410,846	\$ 522,854
Total Component Units	\$ 29,982	\$ 11,139	\$ 369	\$ 500

General revenues:

Taxes - sales and use taxes

Taxes - business and occupation taxes

Taxes - property

Taxes - other

Interest and investment earnings

Total general revenues

Excess (deficiency) of revenues over expenses before contributions
to endowments and transfers

Contributions to endowments

Transfers

Change in net assets

Net assets -- beginning, as restated

Net assets -- ending

The notes to the financial statements are an integral part of this statement.

Net (Expense) Revenue and Changes in Net Assets			
Primary Government			Component Units
Governmental Activities	Business-type Activities	Total	
\$ (78,702)	\$ -	\$ (78,702)	
(5,426,518)	-	(5,426,518)	
(1,466,965)	-	(1,466,965)	
(3,722,253)	-	(3,722,253)	
(630,531)	-	(630,531)	
(152,659)	-	(152,659)	
(143,100)	-	(143,100)	
(329,525)	-	(329,525)	
(478,239)	-	(478,239)	
(12,428,492)	-	(12,428,492)	
-	(865,911)	(865,911)	
-	50,750	50,750	
-	8,129	8,129	
-	(2,093)	(2,093)	
-	80,682	80,682	
-	(728,443)	(728,443)	
(12,428,492)	(728,443)	(13,156,935)	
			\$ (17,974)
6,234,499	-	6,234,499	-
2,078,265	-	2,078,265	-
1,527,208	-	1,527,208	-
3,252,617	116,194	3,368,811	-
294,400	285,883	580,283	16
13,386,989	402,077	13,789,066	16
958,497	(326,366)	632,131	(17,958)
45,911	-	45,911	-
199,194	(199,194)	-	-
1,203,602	(525,560)	678,042	(17,958)
18,442,763	(3,527,519)	14,915,244	525,947
\$ 19,646,365	\$ (4,053,079)	\$ 15,593,286	\$ 507,989

Fund Financial Statements

GOVERNMENTAL FUNDS Balance Sheet

June 30, 2004

(expressed in thousands)

	General	Higher Education Special Revenue	Higher Education Endowment	Nonmajor Governmental Funds	Total
Assets:					
Cash and pooled investments	\$ 748,137	\$ 139,357	\$ 305,541	\$ 2,715,321	\$ 3,908,356
Investments	-	833,891	2,080,193	186,110	3,100,194
Taxes receivable (net of allowance)	2,361,117	-	-	101,992	2,463,109
Other receivables (net of allowance)	290,258	207,792	24,030	463,375	985,455
Due from other funds	131,972	144,285	39	240,842	517,138
Due from other governments	738,862	105,086	-	1,392,582	2,236,530
Inventories	16,482	8,692	-	33,836	59,010
Total Assets	\$ 4,286,828	\$ 1,439,103	\$ 2,409,803	\$ 5,134,058	\$ 13,269,792
Liabilities and Fund Balances					
Liabilities:					
Accounts payable	\$ 603,919	\$ 46,130	\$ 1	\$ 274,529	\$ 924,579
Contracts and retainages payable	11,799	375	1,555	66,181	79,910
Accrued liabilities	119,624	84,389	6,884	82,231	293,128
Obligations under security lending agreements	321,902	102,353	267,741	254,980	946,976
Due to other funds	498,021	44,053	173,534	175,540	891,148
Due to other governments	79,400	12,403	-	112,228	204,031
Deferred revenues	1,133,825	135,571	8,751	475,806	1,753,953
Claims and judgments payable, current	2,228	-	-	10,326	12,554
Total Liabilities	2,770,718	425,274	458,466	1,451,821	5,106,279
Fund Balances:					
Reserved for:					
Encumbrances	114,087	157,559	-	523,022	794,668
Inventories	14,749	8,692	-	33,836	57,277
Permanent funds	-	-	1,951,337	168,204	2,119,541
Other specific purposes	37,207	172,493	-	1,194,747	1,404,447
Unreserved, designated for:					
Working capital	964,631	-	-	-	964,631
Unrealized gains	-	3,809	-	-	3,809
Higher education	-	155,679	-	-	155,679
Special Revenue Funds	-	-	-	174	174
Debt Service Funds	-	-	-	288,231	288,231
Unreserved, undesignated	385,436	515,597	-	-	901,033
Unreserved, undesignated reported in nonmajor:					
Special Revenue Funds	-	-	-	1,474,023	1,474,023
Total Fund Balances	1,516,110	1,013,829	1,951,337	3,682,237	8,163,513
Total Liabilities and Fund Balances	\$ 4,286,828	\$ 1,439,103	\$ 2,409,803	\$ 5,134,058	\$ 13,269,792

The notes to the financial statements are an integral part of this statement.

State of Washington

Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Assets

June 30, 2004
(expressed in thousands)

Total fund balances for governmental funds	\$	8,163,513
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Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. These assets consist of:

Non-depreciable assets	\$ 14,798,014	
Depreciable assets, net of depreciation	6,172,043	
Total capital assets		20,970,057

Some of the state's revenues will be collected after year-end, but are not available soon enough to pay for the current period's expenditures, and therefore are deferred in the funds.		1,370,760
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Accrued current interest on general obligation bonds		(185,674)
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Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.		(70,828)
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Some liabilities are not due and payable in the current period and therefore are not reported in the funds. Those liabilities consist of:

Bonds and notes payable	(10,096,005)	
Accrued interest on bonds	(44,213)	
Claims and judgments	(77,425)	
Other obligations	(383,820)	
Total long-term liabilities		(10,601,463)

Net assets of governmental activities	\$	19,646,365
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The notes to the financial statements are an integral part of this statement.

GOVERNMENTAL FUNDS

Statement of Revenues, Expenditures, and Changes in Fund Balances

For the Fiscal Year Ended June 30, 2004
(expressed in thousands)

	General	Higher Education Special Revenue	Higher Education Endowment	Nonmajor Governmental Funds	Total
Revenues:					
Retail sales and use taxes	\$ 6,174,008	\$ -	\$ -	\$ 60,491	\$ 6,234,499
Business and occupation taxes	2,018,718	-	-	59,547	2,078,265
Property taxes	1,392,963	-	-	134,245	1,527,208
Excise taxes	622,951	-	-	64,379	687,330
Motor vehicle and fuel taxes	-	-	-	925,723	925,723
Other taxes	1,016,412	-	-	630,815	1,647,227
Licenses, permits, and fees	75,513	505	-	589,554	665,572
Timber sales	5,465	-	8,256	125,933	139,654
Other contracts and grants	253,180	491,978	-	12,413	757,571
Federal grants-in-aid	5,916,782	1,005,025	-	779,747	7,701,554
Charges for services	44,504	1,032,316	7	461,568	1,538,395
Investment income (loss)	4,795	66,533	188,578	34,494	294,400
Miscellaneous revenue	84,645	122,773	3,530	491,729	702,677
Contribution and donations	-	-	45,911	-	45,911
Total Revenues	17,609,936	2,719,130	246,282	4,370,638	24,945,986
Expenditures:					
Current:					
General government	514,567	-	-	345,771	860,338
Human services	8,988,660	-	-	973,769	9,962,429
Natural resources and recreation	268,096	-	-	374,909	643,005
Transportation	27,037	426	-	1,269,489	1,296,952
Education	6,977,364	2,560,841	24	546,540	10,084,769
Intergovernmental	26,678	-	-	302,847	329,525
Capital outlays	67,471	101,937	-	1,372,288	1,541,696
Debt service:					
Principal	10,140	9,247	-	395,341	414,728
Interest	120	4,310	-	463,261	467,691
Total Expenditures	16,880,133	2,676,761	24	6,044,215	25,601,133
Excess of Revenues Over (Under) Expenditures	729,803	42,369	246,258	(1,673,577)	(655,147)
Other Financing Sources (Uses):					
Bonds issued	-	-	-	1,167,659	1,167,659
Refunding bonds issued	-	-	-	456,675	456,675
Payment to refunded bond escrow agent	-	-	-	(481,000)	(481,000)
Notes issued	4,960	11,475	-	1,680	18,115
Bond issue premium (discount)	-	8	-	70,873	70,881
Capital lease acquisitions	44	-	-	-	44
Transfers in	308,108	207,913	4,230	1,579,648	2,099,899
Transfers (out)	(895,006)	(250,539)	(43,624)	(674,459)	(1,863,628)
Total Other Financing Sources (Uses)	(581,894)	(31,143)	(39,394)	2,121,076	1,468,645
Net change in fund balances	147,909	11,226	206,864	447,499	813,498
Fund Balances - Beginning, as restated	1,368,201	1,002,603	1,744,473	3,234,738	7,350,015
Fund Balances - Ending	\$ 1,516,110	\$ 1,013,829	\$ 1,951,337	\$ 3,682,237	\$ 8,163,513

The notes to the financial statements are an integral part of this statement.

State of Washington

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities

For the Fiscal Year Ended June 30, 2004
(expressed in thousands)

Net change in fund balances--total governmental funds \$ 813,498

Amounts reported for governmental activities in the statement of activities are different because:

Capital outlays are reported as expenditures in governmental funds. However, in the statement of activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense. In the current period, these amounts are:

Capital outlay	1,585,173	
Depreciation expense	(350,079)	
Excess of capital outlay over depreciation expense		1,235,094

Bond proceeds provide current financial resources to governmental funds, however, issuing debt increases long-term liabilities in the statement of net assets. In the current period, proceeds were received from:

Bonds and bond anticipation notes issued	(1,167,659)	
Refunding bonds issued	(456,675)	
Notes issued	(18,115)	
Bond issue premium	(70,881)	
Capital leases issued	(44)	
Total bond proceeds		(1,713,374)

Repayment of long-term debt is reported as an expenditure in governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. In the current year, these amounts consist of:

Bond principal retirement	414,728	
Payments to the bond refunding agent	481,000	
Total long-term debt repayment		895,728

Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue of the internal service funds is reported with governmental activities.

39,213

Because some revenues will not be collected for several months after the state's fiscal year end, they are not considered "available" revenues in the governmental funds. Deferred revenues increased by this amount this year.

(9,524)

Some items reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. These activities consist of:

Increase in accrued and accreted interest	(36,186)	
Increase in compensated absences	(10,438)	
Increase in miscellaneous liabilities	(6,973)	
Increase in claims and judgments	(3,436)	
Total additional expenditures		(57,033)

Change in net assets of governmental activities		\$ 1,203,602
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The notes to the financial statements are an integral part of this statement.

PROPRIETARY FUNDS

Statement of Fund Net Assets

June 30, 2004

(expressed in thousands)

(expressed in thousands)	Business-Type Activities					Governmental
	Enterprise Funds				Activities	
	Workers'	Unemployment	Higher Education	Nonmajor		Internal
	Compensation	Compensation	Student	Enterprise	Total	Service
			Services	Funds		Funds
Assets						
Current Assets:						
Cash and pooled investments	\$ 26,552	\$ 1,126,145	\$ 342,435	\$ 327,517	\$ 1,822,649	\$ 165,295
Investments	1,269,197	-	3,184	245,767	1,518,148	1,325
Taxes receivable (net of allowance)	-	-	-	4,728	4,728	-
Other receivables (net of allowance)	588,195	489,425	127,345	25,595	1,230,560	3,652
Due from other funds	11,264	3,566	44,493	48,512	107,835	61,301
Due from other governments	1,480	6,229	32,234	19,909	59,852	4,794
Inventories	177	-	32,099	42,487	74,763	20,249
Prepaid expenses	1	-	5,314	780	6,095	1,774
Total Current Assets	1,896,866	1,625,365	587,104	715,295	4,824,630	258,390
Noncurrent Assets:						
Investments, noncurrent	9,161,021	-	146,996	916,817	10,224,834	39,344
Other noncurrent assets	-	-	-	82,723	82,723	-
Capital Assets:						
Land	3,240	-	19,891	77,532	100,663	1,395
Buildings	62,441	-	1,070,069	400,816	1,533,326	59,495
Other improvements	1,020	-	62,838	5,658	69,516	21,033
Furnishings, equipment, and collections	35,595	-	235,455	55,552	326,602	552,002
Accumulated depreciation	(27,094)	-	(539,861)	(98,120)	(665,075)	(344,897)
Construction in progress	4,942	-	82,060	-	87,002	34,453
Total Noncurrent Assets	9,241,165	-	1,077,448	1,440,978	11,759,591	362,825
Total Assets	\$ 11,138,031	\$ 1,625,365	\$ 1,664,552	\$ 2,156,273	\$ 16,584,221	\$ 621,215
Liabilities						
Current Liabilities:						
Accounts payable	\$ 4,166	\$ -	\$ 65,226	\$ 41,840	\$ 111,232	\$ 33,960
Contracts and retainages payable	2,270	-	9,494	18,422	30,186	1,345
Accrued liabilities	128,172	-	88,137	127,526	343,835	16,916
Obligations under security						
lending agreements	1,269,197	-	-	173,379	1,442,576	1,143
Bonds and notes payable	2,898	-	19,613	39,502	62,013	4,559
Due to other funds	18,725	344	47,157	66,402	132,628	20,743
Due to other governments	-	674	211	5,322	6,207	86
Deferred revenues	13,542	-	30,623	233	44,398	1,237
Claims and judgments payable, current	1,569,942	-	-	68,307	1,638,249	81,423
Total Current Liabilities	3,008,912	1,018	260,461	540,933	3,811,324	161,412
Non-Current Liabilities:						
Claims and judgments payable, long-term	15,021,157	-	-	1,929	15,023,086	463,774
Bonds and notes payable	39,886	-	564,769	282,849	887,504	48,745
Other long-term liabilities	10,096	-	7,901	897,391	915,388	18,112
Total Non-Current Liabilities	15,071,139	-	572,670	1,182,169	16,825,978	530,631
Total Liabilities	18,080,051	1,018	833,131	1,723,102	20,637,302	692,043
Net Assets:						
Invested in capital assets,						
net of related debt	37,359	-	346,069	138,940	522,368	270,178
Restricted for:						
Unemployment compensation	-	1,624,347	-	-	1,624,347	-
Other specific purposes	-	-	-	-	-	-
Unrestricted	(6,979,379)	-	485,352	294,231	(6,199,796)	(341,006)
Total Net (Deficit) Assets	\$ (6,942,020)	\$ 1,624,347	\$ 831,421	\$ 433,171	\$ (4,053,081)	\$ (70,828)

The notes to the financial statements are an integral part of this statement.

PROPRIETARY FUNDS

Statement of Revenues, Expenses, and Changes in Fund Net Assets

For the Fiscal Year Ended June 30, 2004
(expressed in thousands)

	Business-Type Activities Enterprise Funds				Governmental Activities	
	Workers' Compensation	Unemployment Compensation	Higher Education Student Services	Nonmajor Enterprise Funds	Total	Internal Service Funds
Operating Revenues:						
Sales	\$ -	\$ -	\$ 122,184	\$ 468,212	\$ 590,396	\$ 125,290
Less: Cost of goods sold	-	-	75,454	314,562	390,016	107,351
Gross profit	-	-	46,730	153,650	200,380	17,939
Charges for services	17	-	928,590	50,676	979,283	491,959
Premiums and assessments	1,453,380	1,324,644	-	1,039,975	3,817,999	96,173
Federal aid for unemployment insurance benefits	-	450,320	-	-	450,320	-
Lottery ticket proceeds	-	-	-	481,440	481,440	-
Miscellaneous revenue	62,030	20,356	72,067	7,660	162,113	46,181
Total Operating Revenues	1,515,427	1,795,320	1,047,387	1,733,401	6,091,535	652,252
Operating Expenses:						
Salaries and wages	108,557	-	427,854	74,847	611,258	220,447
Employee benefits	26,272	-	71,716	20,659	118,647	48,648
Personal services	2,641	-	25,361	17,232	45,234	16,151
Goods and services	60,248	-	414,742	107,134	582,124	248,651
Travel	2,796	-	15,410	1,701	19,907	3,761
Premiums and claims	2,172,545	1,744,694	327	1,033,765	4,951,331	29,756
Lottery prize payments	-	-	-	295,488	295,488	-
Depreciation and amortization	6,261	-	51,116	16,584	73,961	53,449
Miscellaneous expenses	7,109	-	15,427	27,270	49,806	404
Total Operating Expenses	2,386,429	1,744,694	1,021,953	1,594,680	6,747,756	621,267
Operating Income (Loss)	(871,002)	50,626	25,434	138,721	(656,221)	30,985
Nonoperating Revenues (Expenses):						
Earnings (loss) on investments	171,169	60,132	20,542	34,040	285,883	2,214
Interest expense	(2,389)	-	(33,039)	(50,700)	(86,128)	(3,328)
Distributions to other governments	-	-	-	(34,951)	(34,951)	-
Other revenue (expenses)	7,480	124	15,703	137,441	160,748	(759)
Total Nonoperating Revenues (Expenses)	176,260	60,256	3,206	85,830	325,552	(1,873)
Income (Loss) Before Contributions and Transfers	(694,742)	110,882	28,640	224,551	(330,669)	29,112
Capital Contributions	-	-	31	4,272	4,303	3,674
Transfers in	296,274	-	155,712	43,070	495,056	44,202
Transfers (out)	(297,539)	-	(162,742)	(233,971)	(694,252)	(37,775)
Net Contributions and Transfers	(1,265)	-	(6,999)	(186,629)	(194,893)	10,101
Change in Net Assets	(696,007)	110,882	21,641	37,922	(525,562)	39,213
Net Assets - Beginning, as restated	(6,246,013)	1,513,465	809,780	395,249	(3,527,519)	(110,041)
Net Assets - Ending	\$ (6,942,020)	\$ 1,624,347	\$ 831,421	\$ 433,171	\$ (4,053,081)	\$ (70,828)

The notes to the financial statements are an integral part of this statement.

PROPRIETARY FUNDS

Statement of Cash Flows

Continued

For the Fiscal Year Ended June 30, 2004
(expressed in thousands)

	Business-Type Activities					Governmental
	Enterprise Funds					Activities
	Workers' Compensation	Unemployment Compensation	Higher Education Student Services	Nonmajor Enterprise Funds	Total	Internal Service Funds
Cash Flows from Operating Activities:						
Receipts from customers	\$ 1,406,809	\$ 1,246,855	\$ 1,037,468	\$ 2,008,509	\$ 5,699,641	\$ 716,823
Payments to suppliers	(1,502,735)	(1,743,677)	(550,712)	(1,717,503)	(5,514,627)	(391,780)
Payments to employees	(134,972)	-	(494,253)	(114,431)	(743,656)	(266,203)
Other receipts (payments)	41,860	491,483	72,085	7,293	612,721	46,244
Net Cash Provided (Used) by Operating Activities	(189,038)	(5,339)	64,588	183,868	54,079	105,084
Cash Flows from Noncapital Financing Activities:						
Transfers in	296,274	-	155,712	43,070	495,056	44,202
Transfers out	(297,539)	-	(162,742)	(233,971)	(694,252)	(37,775)
Operating grants and donations received	7,322	124	7,026	2	14,474	896
Taxes and license fees collected	5	-	-	136,523	136,528	-
Distributions to other governments	-	-	-	(34,951)	(34,951)	-
Net Cash Provided (Used) by Noncapital Financing Activities	6,062	124	(4)	(89,327)	(83,145)	7,323
Cash Flows from Capital and Related Financing Activities:						
Interest paid	(2,389)	-	(33,173)	(13,774)	(49,336)	(3,442)
Principal payments on long-term capital financing	(2,723)	-	(37,462)	(46,174)	(86,359)	(6,276)
Proceeds from long-term capital financing	-	-	137,595	30,725	168,320	4,857
Proceeds from sale of capital assets	-	-	35,683	1,952	37,635	41,879
Acquisitions of capital assets	(5,487)	-	(145,175)	(4,242)	(154,904)	(127,619)
Net Cash or Pooled Investments Provided by (Used in) Capital and Related Financing Activities	(10,599)	-	(42,532)	(31,513)	(84,644)	(90,601)
Cash Flows from Investing Activities:						
Receipt of interest	423,964	60,132	20,612	(2,109)	502,599	2,257
Proceeds from sale of investment securities	5,670,702	-	47,313	333,967	6,051,982	1,834
Purchases of investment securities	(5,874,539)	-	(50,965)	(351,653)	(6,277,157)	(2,125)
Net Cash Provided by (Used in) Investing Activities	220,127	60,132	16,960	(19,795)	277,424	1,966
Net Increase (Decrease) in Cash and Pooled Investments						
	26,552	54,917	39,012	43,233	163,714	23,772
Cash and Pooled Investments, July 1	-	1,071,228	303,423	284,284	1,658,935	141,523
Cash and Pooled Investments, June 30	\$ 26,552	\$ 1,126,145	\$ 342,435	\$ 327,517	\$ 1,822,649	\$ 165,295
Cash Flows from Operating Activities:						
Operating Income (Loss)	\$ (871,002)	\$ 50,626	\$ 25,434	\$ 138,721	\$ (656,221)	\$ 30,985
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operations:						
Depreciation	6,261	-	51,116	16,584	73,961	53,449
Provision for uncollectible accounts	8,019	-	5,903	13	13,935	24
Other non-cash items	(21,507)	-	-	-	(21,507)	-
Change in Assets: Decrease (Increase)						
Receivables (net of allowance)	(45,311)	(56,981)	(13,027)	(31,785)	(147,104)	2,884
Inventories	5	-	(1,736)	(5,253)	(6,984)	(1,314)
Prepaid expenses	26	-	433	276	735	(311)
Change in Liabilities: Increase (Decrease)						
Payables	734,471	1,016	(3,535)	65,312	797,264	19,367
Net Cash or Cash Equivalents Provided by (Used in) Operating Activities	\$ (189,038)	\$ (5,339)	\$ 64,588	\$ 183,868	\$ 54,079	\$ 105,084

The notes to the financial statements are an integral part of this statement.

PROPRIETARY FUNDS

Statement of Cash Flows

Concluded

For the Fiscal Year Ended June 30, 2004

(expressed in thousands)

	Business-Type Activities				Total	Governmental
	Enterprise Funds					Activities
	Workers'	Unemployment	Higher Education	Nonmajor		Internal
	Compensation	Compensation	Student	Enterprise		Service
			Services	Funds		Funds
Noncash Investing, Capital and Financing Activities:						
Contributions of capital assets	\$ -	\$ -	\$ 31	\$ 4,272	\$ 4,303	\$ 3,674
Amortization of long-term lotto prize liability	-	-	-	34,132	34,132	-
Increase (decrease) in fair value of investments	(252,659)	-	(137)	(65,114)	(317,910)	(91)
Refunding bonds issued	-	-	4,380	-	4,380	-
Refunded bonds redeemed	-	-	4,160	-	4,160	-
Gain (loss) on on refunding activity	-	-	387	-	387	-
Amortization of debt premium (issue costs/discount)	-	-	(25)	-	(25)	-
Accretion of interest on zero coupon bonds	-	-	-	2,901	2,901	-

The notes to the financial statements are an integral part of this statement.

FIDUCIARY FUNDS

Statement of Fiduciary Net Assets

June 30, 2004

(expressed in thousands)

	Private-Purpose Trust	Local Government Investment Pool	Pension and Other Employee Benefit Plans	Agency Funds
Assets:				
Cash and pooled investments	\$ 5,233	\$ 2,747,577	\$ 44,094	\$ 279,758
Investments	-	2,463,130	-	1,500
Other receivables (net of allowance)	4,654	4,747	195,195	99,771
Due from other funds	91	-	24,888	490,619
Due from other governments	-	-	48,028	26,787
Total Current Assets	9,978	5,215,454	312,205	898,435
Noncurrent Assets:				
Investments, noncurrent	28,299	298,799	49,958,322	193,186
Other noncurrent assets	-	-	-	67,269
Capital Assets:				
Furnishings, equipment, and collections	86	-	-	-
Accumulated depreciation	(78)	-	-	-
Total Noncurrent Assets	28,307	298,799	49,958,322	260,455
Total Assets	\$ 38,285	\$ 5,514,253	\$ 50,270,527	\$ 1,158,890
Liabilities:				
Accounts payable	\$ 3,438	\$ -	\$ -	\$ 15,723
Contracts and retainages payable	-	-	-	19,078
Accrued liabilities	4,065	449,838	84,845	504,281
Obligations under security	-	298,800	3,317,990	25,430
Due to other funds	20	52	26,677	130,604
Due to other governments	-	-	-	391,731
Other long-term liabilities	28,322	-	-	72,043
Total Liabilities	35,845	748,690	3,429,512	\$ 1,158,890
Net Assets:				
Net assets held in trust for:				
Pension benefits	-	-	45,097,255	
Deferred compensation participants	-	-	1,743,760	
Local government pool participants	-	4,765,563	-	
Individuals, organizations & other governments	2,440	-	-	
Total Net Assets	\$ 2,440	\$ 4,765,563	\$ 46,841,015	

The notes to the financial statements are an integral part of this statement.

FIDUCIARY FUNDS

Statement of Changes in Fiduciary Net Assets

For the Fiscal Year Ended June 30, 2004
(expressed in thousands)

	Private- Purpose Trust	Local Government Investment Pool	Pension and Other Employee Benefit Plans
Additions:			
Contributions:			
Employers	\$ -	\$ -	\$ 174,860
Members	-	-	502,385
State	-	-	31,038
Pool participants	-	11,397,569	147,660
Total Contributions	-	11,397,569	855,943
Investment Income:			
Net appreciation (depreciation) in fair value	-	-	5,453,059
Income (loss) on investing activities	(3)	-	-
Interest and dividends	-	55,755	1,049,743
Less: Investment expenses	-	-	(58,289)
Net Investment Income	(3)	55,755	6,444,513
Other additions:			
Transfers from other pension plans	-	-	25,418
Transfers in	5,483	-	-
Other contracts, grants and miscellaneous	42,453	-	2,636
Total other additions	47,936	-	28,054
Total Additions	47,933	11,453,324	7,328,510
Deductions:			
Pension benefits	-	-	1,949,048
Pension refunds	-	-	110,434
Transfers to other pension plans	-	-	25,418
Transfers out	48,985	-	-
Administrative expenses	2,652	3,287	1,087
Distributions to pool participants	-	11,668,653	73,485
Payments to or on behalf of individuals, organizations and other governments in accordance with trust agreements	267	-	-
Total Deductions	51,904	11,671,940	2,159,472
Net Increase (Decrease)	(3,971)	(218,616)	5,169,038
Net Assets - Beginning, as restated	6,411	4,984,179	41,671,977
Net Assets - Ending	\$ 2,440	\$ 4,765,563	\$ 46,841,015

The notes to the financial statements are an integral part of this statement.

COMPONENT UNITS

Statement of Fund Net Assets

June 30, 2004

(expressed in thousands)

	Public Stadium	Nonmajor Component Units	Total
Assets			
Current Assets:			
Cash and pooled investments	\$ 4,160	\$ 2,775	\$ 6,935
Investments	-	30,262	30,262
Other receivables (net of allowance)	7	1,391	1,398
Prepaid expenses	30	322	352
Total Current Assets	4,197	34,750	38,947
Noncurrent Assets:			
Investments, noncurrent	21,676	2,123	23,799
Other noncurrent assets	-	19,765	19,765
Capital Assets:			
Land	34,677	-	34,677
Buildings	450,745	-	450,745
Furnishings and equipment	25,605	1,144	26,749
Accumulated depreciation	(43,900)	(872)	(44,772)
Total Noncurrent Assets	488,803	22,160	510,963
Total Assets	\$ 493,000	\$ 56,910	\$ 549,910
Liabilities			
Current Liabilities:			
Accounts payable	\$ 191	\$ 1,514	\$ 1,705
Contracts and retainages payable	2,342	-	2,342
Accrued liabilities	36	79	115
Deferred revenues	-	759	759
Total Current Liabilities	2,569	2,352	4,921
Non-Current Liabilities:			
Other long-term liabilities	37,000	-	37,000
Total Non-Current Liabilities	37,000	-	37,000
Total Liabilities	39,569	2,352	41,921
Net Assets:			
Invested in capital assets, net of related debt	427,785	272	428,057
Restricted for deferred sales tax	21,676	-	21,676
Restricted for other purposes	-	600	600
Unrestricted	3,970	53,686	57,656
Total Net (Deficit) Assets	\$ 453,431	\$ 54,558	\$ 507,989

The notes to the financial statements are an integral part of this statement.

COMPONENT UNITS

Statement of Revenues, Expenses, and Changes in Fund Net Assets

For the Fiscal Year Ended June 30, 2004
(expressed in thousands)

	Public Stadium	Nonmajor Component Units	Total
Program Revenues:			
Charges for services	\$ 868	10,271	\$ 11,139
Operating grants and contributions	-	369	369
Capital grants and contributions	500	-	500
Total Program Revenues	1,368	10,640	12,008
Expenses:			
Operating Expenses:			
Salaries and wages	313	3,752	4,065
Employee benefits	53	946	999
Personal services	147	596	743
Goods and services	160	2,675	2,835
Travel	4	24	28
Depreciation and amortization	18,562	125	18,687
Miscellaneous expenses	1,504	14	1,518
Total Operating Expenses	20,743	8,132	28,875
Nonoperating Expenses:			
Pass through grants	-	369	369
Interest	-	738	738
Total Nonoperating Expenses	-	1,107	1,107
Total Expenses	20,743	9,239	29,982
General Revenues:			
Earnings (loss) on investments	(20)	36	16
Total General Revenues	(20)	36	16
Change in Net Assets	(19,395)	1,437	(17,958)
Net Assets - Beginning	472,826	53,121	525,947
Net Assets - Ending	\$ 453,431	\$ 54,558	\$ 507,989

The notes to the financial statements are an integral part of this statement.

Notes to the Financial Statements

For the Fiscal Year Ended June 30, 2004

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